

PORTFOLIO:

GOVERNANCE & RESOURCES

Report of
Portfolio Holder:

**COUNCILLOR JOHN
MALLINSON**

RESOURCES

Financial Services

2010/11 Final Accounts Process

The Audit Commission has issued an unqualified opinion on both the accounts and the VFM conclusion, by the statutory date of 30th September, and Member's of the Audit Committee received a very positive report from the Commission at their meeting on 27th September. The 2010/11 Statement of Accounts is now available on the Council's website and hard copies have been provided for the Customer Contact Centre.

The Auditor's notice of completion has been received for 2009/10 and 2010/11 and this now concludes the formal audit process for both years.

Strategic Planning

Following approval of the Budget Strategy documents by Council in September, the 2012/13 budget process has commenced with the preparation and consideration of the budget timetable by the Executive on 31st October. Detailed reports on the core budgets, individual spending pressures and savings, and the charging reports will be considered by the Executive and the relevant overview and scrutiny panels in November and December, with the Executive producing its draft Budget Proposals for consultation purposes at its meeting on 21st December to ensure that a balanced budget is approved by Council on 7th February 2012.

Audit Services

The Audit Committee on 27th September received the Audit Services' progress report along with a copy of the Audit Plan, which illustrated the work completed by the Audit Team for the 22 week period up to 2nd September 2011. The following key messages were noted by the Audit Committee:

- The Audit Plan remains on track - 221 days (41%) of the 535 total direct audit days expected in 2011/12 were delivered by 2nd September 2011, which is only marginally under the target for this position in the year (226 days - 42%).
- The following two completed audit reviews were considered by Members:
 - An audit of Risk Management had recently been completed and this provided for reasonable audit assurance of this area.
 - **A joint audit review of the Governance Arrangements of the ICT Shared Service has been carried out with Allerdale Borough Council Internal Audit Services. The overall audit opinion of effective controls equates to a reasonable assurance rating under Carlisle City's assurance rating system. This was a first attempt of joint audit delivery between authorities and it was a positive experience. There are clear benefits of undertaking joined up audits and it is expected that this type of approach will become more prevalent as authorities continue to collaborate to deliver services and as such, further opportunities to deliver joint audit reviews will be explored by the Audit Shared Service.**
- The first follow up of the review of Housing and Council Tax Benefit Overpayments was also presented to the Committee. This item was led by the Assistant Director (Resources). Members will recall this audit review received restricted audit assurance, and as such, the Committee has put in place effective measures to monitor the actions taken to address all the issues raised and implement the agreed actions contained within the audit report. The next formal follow up of Housing and Council Tax Benefit Overpayments has been scheduled in April 2012.

Property and Facilities

Asset Review Disposal Programme

An officer Working Group, chaired by the Acting Chief Executive, is co-ordinating the implementation of the property disposal programme which was approved by Council in January.

The project aims, through a period of rationalisation and consolidation, to create a portfolio which is based on fewer assets and is easier and less expensive to manage. Through reinvestment of capital receipts, and the release of embedded value, the portfolio will improve performance with the delivery of better yields and more rental income.

So far the disposal of 7 assets has been completed realising £945,000, which is ahead of target projections. Sales have been conducted through a mixture

of private treaty transactions and public auctions. Officers are continuing the work on bringing forward the next tranche of properties to the market over the autumn and winter months.

The national firm of surveyors, Montagu Evans LLP, were appointed to bring the Superstore and District Centre site to the market. They have been advising the Council on operator / developer selection, the delivery route and mechanism, and will be negotiating transactional terms on behalf of the Council. Following a period of soft marketing to prospective purchasers, the site was publicly advertised and formally brought to the market in early September. A strong response has been forthcoming with 6 food retail operators and 35 developers expressing an interest in bidding for the site. The closing date for bids was set at 4th November, and the selection processes, evaluating bids and short listing, is currently underway.

Accommodation Review

The aim of this project is to review our own accommodation to ensure the space we use matches our needs and is operating efficiently and cost effectively.

The project will deliver corporate standards for the space we occupy, optimise usage and increase capacity. It will reduce wasted space; identify savings and the potential to generate additional income or capital receipts.

Tenders were received for the demolition of the roadside building at Bousteads but due to an anomaly had to be re-tendered. The new tenders have now been received and the tender contract awarded to Buckingham Group of Bucks. The work starts on site on 31st October with completion set for 23rd December including a new fence to the front boundary. A review of accommodation on the Ground floor has resulted in space being created for parking services to move from Bousteads and office space created for the Passport office – 2 days a week. A review of the first floor accommodation has been deferred until the new Chief Executive is in place.

Renewable Energy

The results of the feasibility investigations into renewable energy projects were considered by the Executive on 31st October and a programme of work recommended elsewhere on the agenda.

Councillor J Mallinson
Governance & Resources Portfolio Holder